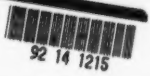

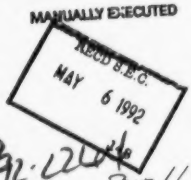

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 28, 1992 Commission File No. 0-11271

SANDWICH CHEF, INC.
(Exact name of registrant as specified in its Charter)

DELAWARE	63-0514240
(State of Incorporation)	(IRS Employer I.D. No.)

3514 Lornaridge Drive
Birmingham, Alabama 35216
(Address of principal executive offices)

(205) 822-3960
(Registrant's telephone number)

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Indicate by check mark whether the registrant has (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No___

Indicate the number of shares outstanding of the registrant's class of common stock, as of the latest practicable date.

Class	Outstanding at March 28, 1992
Common Stock, $.05 Par Value	1,647,100

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PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

The financial statements listed below are included on the following pages of this Report on Form 10-Q:

Consolidated Balance Sheets at March 28, 1992 (Unaudited) and at June 29, 1991

Consolidated Statements of Operations (Unaudited) for the three months, and nine months, ended March 28, 1992 and March 30, 1991

Consolidated Statements of Cash Flows (Unaudited) for the nine months ended March 28, 1992 and March 30, 1991

Notes to Consolidated Financial Statements (Unaudited)

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SANDWICH CHEF, INC.

CONSOLIDATED BALANCE SHEETS

	March 28, 1992 (Unaudited)	June 29,1991 (Audited)
ASSETS		
Current:		
Cash and Equivalents	$ 362,464	$ 503,216
Accounts and Notes Receivable	743,399	753,778
Inventories (Note 3)	1,154,231	1,094,600
Prepaid Expenses	75,308	66,481
Total Current Assets	2,335,402	2,418,075
Equipment and Improvements:		
Equipment and Fixtures	12,442,132	11,573,956
Leasehold Improvements	7,884,998	7,346,775
	20,327,130	18,920,731
Less Accumulated Depreciation and Amortization	(9,308,537)	(8,285,119)
Net Equipment & Improvements	11,018,593	10,635,612
Other:		
Long-Term Portion of Notes Receivable	698,000	452,586
Cash Surrender Value of Officers' Life Insurance	388,129	339,613
Deferred Tax Benefit	89,200	-
Total Other Assets	1,175,329	792,199
	$14,529,324	$13,845,886

See accompanying notes to consolidated financial statements (Unaudited).

SANDWICH CHEF, INC.

CONSOLIDATED BALANCE SHEETS

	March 28, 1992 (Unaudited)	June 29, 1991 (Audited)
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Notes Payable to Bank	$ 2,400,000	$ 2,900,000
Accounts Payable	905,358	861,063
Accruals	1,500,860	1,650,460
Total Current Liabilities	4,806,218	5,411,523
Deferred Income Taxes	-	95,800
Total Liabilities	4,806,218	5,507,323
Stockholders' Equity:		
Common Stock	97,272	97,272
Additional Paid In Capital	4,000,367	3,637,000
Retained Earnings	6,952,172	6,372,518
	11,049,811	10,106,790
Less Treasury Stock, at cost	(1,326,705)	(1,768,227)
Total Stockholders' Equity	9,723,106	8,338,563
	$14,529,324	$13,845,886

See accompanying notes to consolidated financial statements (Unaudited).

SANDWICH CHEF, INC.

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	3/28/92	3/30/91	3/28/92	3/30/91
Net Sales	$10,900,788	$10,235,537	$31,801,493	$30,300,985
Costs and Expenses:				
Costs of Sales	9,446,914	8,869,243	27,743,529	26,303,974
Administrative and General Expenses	1,079,483	1,030,159	3,110,511	3,153,287
Interest Expense	44,000	72,000	162,000	201,000
Other Expense (Income) Net	50,036	14,338	(44,203)	(57,922)
Total Costs and Expenses	10,620,433	9,985,740	30,971,837	29,600,339
Income Before Taxes on Income	280,355	249,797	829,656	700,646
Taxes on Income	80,000	96,000	250,000	254,000
Net Income	$ 200,355	$ 153,797	$ 579,656	$ 446,646
Earnings Per Share of Common Stock (Note 4)	$ .12	$ .10	$ .36	$ .29

See accompanying notes to consolidated financial statements (Unaudited)

SANDWICH CHEF, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended	
	March 28, 1992	March 30, 1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 579,656	$ 446,646
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,795,758	1,656,506
(Gain) Loss on sale of property and equipment	85,281	33,405
Decrease (increase) in assets:		
Accounts receivable	171,041	139,755
Inventories	(59,631)	82,374
Prepaid expenses	(8,827)	(76,088)
Increase (decrease) in liabilities:		
Accounts payable	44,295	(251,966)
Accruals	(149,600)	(509,942)
Deferred Tax (Credits)	(185,000)	(120,000)
Net cash provided by operating activities	$ 2,272,973	$ 1,400,690
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property & equipment	(2,962,871)	(3,382,292)
Proceeds from sale of property & equipment	156,851	294,910
Payments received on notes receivables	135,924	126,554
Increase in cash surrender value of life insurance on officer's lives	(48,516)	(30,112)
Net cash used by investing activities	(2,718,612)	(2,990,940)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (payments) under line of credit	(500,000)	1,200,000
Purchase of fractional shares on 3/2 dividend	-	(791)
Purchase of treasury stock	-	(5,411)
Proceeds from secondary stock offering	741,961	-
Exercise of employee stock options	62,926	18,155
Net cash provided by financing activities	304,887	1,211,953
NET DECREASE IN CASH FOR THE PERIOD	(140,752)	(378,297)
CASH, beginning of period	503,216	478,502
CASH, end of period	$ 362,464	$ 100,205
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 159,234	$ 227,208
Income taxes	$ 480,136	$ 417,083

Non-cash investing and financing activities:
Notes receivable in the amount of $542,000 and $190,000 were received in the sale of property and equipment for the periods ended March 28, 1992 and March 30, 1991, respectively.

See accompanying notes to consolidated financial statements (Unaudited).

SANDWICH CHEF, INC..

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 28, 1992 and the results of operations for the three and nine month periods ended March 28, 1992 and March 30, 1991 and cash flows for the nine month period ended March 28, 1992 and March 30, 1991.

2. The results of operations for the three and nine month periods ended March 28, 1992 and March 30, 1991 are not necessarily indicative of the results to be expected for the full year.

3. Inventories are valued at the lower of cost (first-in, first-out) or market.

4. Earnings per common share and common share equivalent have been computed based upon the weighted average number of shares outstanding during the respective periods. Equivalent shares are those issuable upon assumed exercise of stock options granted, net of shares which could have been purchased from the proceeds based on the average market price. The computation of earnings per common share assuming full dilution results in less than 3% dilution during the period.

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ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is management's discussion and analysis of certain significant factors which have affected the Company's financial condition and earnings during the period included in the accompanying consolidated balance sheets and statements of operations.

Sales

Net sales increased during the quarter ended March 28, 1992 by 6.5% over the corresponding three months last year. Net sales increased during the nine month period ended March 28, 1992 by 4.9% over the corresponding nine months last year. During the nine months ended March 28, 1992, seventeen low volume stores were closed, while eleven high volume units were opened. As in the past, this process of refining the Company's production units, the individual stores , to achieve higher returns continues to be an essential ingredient of sales increases. "Same store" sales, which the Company considers an important measurement of performance because it evaluates this process, decreased during the three months ended March 28, 1992 by 1.5% over the comparable three months of fiscal 1991. Same store sales for the nine month period ended March 28, 1992 decreased by 2.4% over the comparable nine months of fiscal 1991.

The Company's business, particularly the sales component, is dependent on general economic conditions. Economic uncertainties as well as actual downturns, locally and nationally, have in the past adversely affected sales and/or profitability, and should be expected to have similar effects in the future. The Company has therefore attempted to position itself so it can react to economic downturns promptly, primarily by keeping plans for new store openings on a short time table and thus enabling greater control over capital expenditures.

Costs of Sales

Cost of sales as a percentage of net sales increased during the three months ended March 28, 1992 from 86.6% to 86.7%. Cost of sales as a percentage of net sales increased during the nine month period ended March 28, 1992 from 86.8% to 87.2%. Management works continually to achieve maximum efficiencies in this area.

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Costs of Sales (continued)

Cost of sales consists of the following significant components:

	THREE MONTHS ENDED			
	March 28, 1992	% of Sales	March 30, 1991	% of Sales
Food/paper	$3,715,225	34.1%	$3,570,989	34.8%
Labor	2,243,628	20.6	2,012,958	19.7
Store Expenses	3,115,031	28.6	2,911,714	28.4
Commissary Expenses	373,030	3.4	373,582	3.6
	$9,446,914	86.7	$8,869,243	86.6

	NINE MONTHS ENDED			
	March 28, 1992	% of Sales	March 30, 1991	% of Sales
Food/paper	$10,880,628	34.2%	$10,659,676	35.2%
Labor	6,635,472	20.9	6,109,771	20.2
Store Expenses	9,100,555	28.6	8,396,766	27.7
Commissary Expenses	1,126,874	3.5	1,137,761	3.7
	$27,743,529	87.2	$26,303,974	86.8%

Management does not believe changes during the quarter or nine month period in any particular category of these costs to be material. The overall net increase is not attributable to one or a few significant changes but, rather, to relatively small incremental increases and decreases in many different elements of cost.

Administrative and General Expenses

Administrative and general expenses increased to $1,079,483, an increase of $49,324 or 4.8% above the corresponding three months last year primarily due to increases in legal and professional fees and expenses related to employee travel. These costs for the nine month period decreased to $3,110,511, a decrease of $42,776 or 1.4% below the same period last year. These decreases are due primarily to reclassification of store employee bonuses to cost of sales.

Interest expense decreased $28,000 below the corresponding three months last year reflecting decreased short-term borrowings. For the nine month period, interest expense decreased $39,000 below the corresponding nine months last year. Borrowings averaged approximately $2.4 million for the nine months ended March 28, 1992, versus approximately $3.1 million for the corresponding nine months of the prior year. Substantially all such borrowings are used to finance a portion of the noncurrent capital expenditures associated with opening new units.

Liquidity and Capital Resources

The Company's ability to obtain the cash required for the conduct of its business depends upon cash flow from operations and, to a lesser extent, bank borrowings. In general, cash flow from operations and periodic bank borrowings have been sufficient to finance the expansion of the Company's business. The Company does not have significant receivables or inventory and it receives trade credit in purchasing food and supplies. Since funds are available from cash sales, but are not required immediately to pay for food and supplies or to finance receivables or inventory, such funds may be used for non-current capital expenditures.

The Company's principal capital requirement is for new equipment and leasehold improvements for new and existing restaurants. Capital expenditures for these purposes were $2,399,770, $4,291,522 and $4,202,644 for fiscal years 1989, 1990 and 1991, respectively. It is presently anticipated that the Company's capital expenditures for fiscal 1992 will not be materially different from those in 1991. During the three prior years, cash generated from operations totaled $1,907,588, $2,840,559 and $2,671,837, respectively.

The Company expects its future capital needs will be met primarily by internally generated funds and supplemented, as needed, by additional bank borrowings. Capital expenditures for the nine month period ended March 28, 1992 totalled $2,962,871, compared to $3,382,292 for the corresponding nine months of the prior year. Cash generated from operations for the nine month period ended March 28, 1992 totalled $2,272,973 compared to $1,400,690 for the corresponding nine months of the prior year.

Impact of Inflation

Many of the Company's employees are paid hourly rates related to the federal minimum wage. Accordingly, inflation-related annual increases in the minimum wage have historically increased the Company's labor costs. Construction costs have also increased to developers who lease space to the Company. They, in turn, have and may continue to increase rents for Company restaurants. In addition, most of the leases for Company restaurants contain rental escalation clauses based upon cost increases incurred by lessors. In most cases, the Company has been able to increase prices sufficiently to match increases in its operating costs, but there is no assurance that it will be able to do so in the future.

PART II: OTHER INFORMATION

ITEM 5: OTHER INFORMATION

On December 19, 1991, a registration statement on Form S-3 was filed with the Securities and Exchange Commission, Commission file number 33-44691, relating to 140,000 shares of the Registrant's common stock to be offered on a delayed or continuous basis pursuant to Rule 415. The registration was undertaken pursuant to the direct private placement of the shares, on December 4, 1991, to three institutional funds and two directors of the Company, at a price of $9.125 ($9-1/8) per share. Of the shares sold in the private placement, the Company sold 90,000 shares, and two executive officers sold 25,000 shares each. The private placement was sole-managed by Equitable Securities, Inc. The registration statement was declared effective on January 30, 1992.

ITEM 5: EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit (11) - Computation of Earnings Per Common Share

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed during the quarter ended March 28, 1992.

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EXHIBIT (11)

SANDWICH CHEF, INC.

COMPUTATION OF EARNINGS PER COMMON SHARE (Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	3/28/92	3/30/91	3/28/92	3/30/91
SHARES:				
Weighted average number of common shares outstanding	1,647,100	1,532,303	1,591,057	1,531,523
Effect of shares issuable under stock option plan as determined by the treasury stock method	36,135	32,225	36,135	32,225
Weighted average number of common shares outstanding as adjusted	1,683,235	1,564,528	1,627,192	1,563,748
PER COMMON SHARE COMPUTATIONS:				
Net Income	$ 200,355	$ 153,797	$ 579,656	$ 446,646
Per Common Share	$ .12	$ .10	$ .36	.29

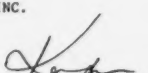
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date:

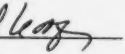
SANDWICH CHEF, INC.

May 5 ,1992



ALAN V. KAUFMAN
President
(Principal Executive Officer)

May 5 ,1992



J. RONALD COOPER
Secretary-Treasurer
(Principal Accounting Officer)